

LOS ANGELES UNIFIED SCHOOL DISTRICT

Office of the Chief Financial Officer

ROY ROMER
Superintendent of Schools

TIMOTHY B. BURESH
Chief Operating Officer



KENNETH C. GOTSCH
Chief Financial Officer

November 22, 2004

Sheilah Curtis, Esq.
Office of County Counsel
648 Hall of Administration
500 West Temple Street, Room 434
Los Angeles, CA 90012

Dear Sheilah:

As you are aware, the Los Angeles Unified School District (the "District") is in the process of preparing a general obligation bond refunding transaction (the "Refunding Bonds"). The District currently expects to sell the Refunding Bonds on or about December 1, 2004, with Closing on or about December 21, 2004.

Enclosed is a letter from Superintendent Romer to the Honorable Board of Supervisors (the "Board") requesting the Board to levy taxes and to direct the Auditor-Controller to place taxes on the tax roll in connection with the Refunding Bonds. Also enclosed is a Resolution to be adopted by the Board in this regard. The District has targeted the Board's December 14, 2004 meeting for adoption of the Resolution.

I am faxing this letter and the enclosed items to you, with original copies to be delivered shortly. Please let me know if you have any questions or need further information.

Sincerely,

Kenneth C. Gotsch
Chief Financial Officer

Enclosures

KCG: mm

cc Richard Knott, Controller
Maruch Atienza, Director of Business Accounting
John Walsh, Office of General Counsel, LAUSD
Mary Neale, Sidley Austin Brown & Wood LLP
Bella Cristobal, Los Angeles County
Sanford Johnson, Los Angeles County

MEMBERS OF THE BOARD

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LOS ANGELES UNIFIED SCHOOL DISTRICT

Administrative Office
333 South Beaudry Avenue, 24th Floor
Los Angeles, California 90017
Telephone: (213) 241-7000
Fax: (213) 241-8442

ROY ROMER
SUPERINTENDENT OF SCHOOLS

November 22, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Hall of Administration
500 West Temple Street
Los Angeles, California 90012

SUBJECT: Los Angeles Unified School District Request for Board to Levy Taxes
and to Direct the Auditor-Controller to Place Taxes on Tax Roll; 3 Votes Required

Dear Supervisors:

On April 8, 1997, the electorate of the Los Angeles Unified School District (the "District") authorized the District pursuant to Proposition BB to issue bonds in the aggregate principal amount of \$2.4 billion. Based on this authorization, the District has previously issued its Series A bonds in the aggregate principal amount of \$356,000,000 (the "BB Series A Bonds"); its Series B bonds in the aggregate principal amount of \$350,000,000 (the "BB Series B Bonds"); its Series C bonds in the aggregate principal amount of \$300,000,000 (the "BB Series C Bonds"); its Series D bonds in the aggregate principal amount of \$386,655,000 (the "BB Series D Bonds"); its Series E bonds in the aggregate principal amount of \$500,000,000 (the "BB Series E Bonds"); and its Series F bonds in the aggregate principal amount of \$507,345,000 (the "BB Series F Bonds"); and collectively, with the BB Series A Bonds, the BB Series B Bonds, the BB Series C Bonds, the BB Series D Bonds, and the BB Series E Bonds, the "BB Bonds"). On April 17, 2002, the District issued its \$258,375,000 of 2002 General Obligation Refunding Bonds (the "BB Refunding Bonds") to reduce debt service cost paid by taxpayers on a portion of the BB Series A Bonds, BB Series B Bonds, BB Series C Bonds and the BB Series D Bonds. The County Board of Supervisors had previously adopted resolutions in connection with the issuance of each series of BB Bonds to levy debt service; the County Board of Supervisors adopted a separate resolution to levy debt service on the BB Refunding Bonds, the effect of which was to have the County levy debt service on the unrefunded BB Bonds as well as the BB Refunding Bonds.

On November 5, 2002, the electorate of the Los Angeles Unified School District (the "District") authorized the District pursuant to Measure K to issue bonds in the aggregate principal amount of \$3.35 billion. Based on this authorization, the District has previously issued its Series A bonds in the aggregate principal amount of \$2,100,000,000 (the "Measure K Series A Bonds"). None of the Measure K Series A Bonds has heretofore been refunded.

On November 23, 2004, the Board of Education of the District adopted its resolution authorizing the issuance and sale of refunding bonds in the not-to-exceed aggregate amount of \$650,000,000, designated the Los Angeles Unified School District (County of Los Angeles, California) 2004 General Obligation Refunding Bonds (the "2004 Bonds"), for the purpose of reducing debt service costs paid by taxpayers on the unrefunded BB Bonds and the Measure K Series A Bonds.

The District formally requests in accordance with Education Code § 15250 that the Los Angeles County Board of Supervisors (the "Board") adopt the enclosed resolution to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the 2004 Bonds. It is anticipated that the 2004 Bonds will be sold on or about December 1, 2004.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed resolution.
2. After the Board has taken action on the enclosed resolution, the District requests that the Executive Officer-Clerk of the Board furnish (2) certified copies of the adopted Resolution to: Sidley Austin Brown & Wood LLP, 555 W. Fifth Street, Los Angeles, California 90013, Attention: Mary Neale, Esq., and send one (1) copy of the adopted Resolution to each of the following:

Los Angeles Unified School District
Attention: Maruch Atienza, Director of Business Accounting
333. S. Beaudry Avenue, 27th Floor
Los Angeles, CA 90017-5141

Los Angeles County Treasurer and Tax Collector
Attention: Bella Cristobal
500 W. Temple Street, Room 434
Los Angeles, CA 90012

Los Angeles County Auditor Controller
Attention: Sanford Johnson
500 W. Temple Street, Room 603
Los Angeles, CA 90012

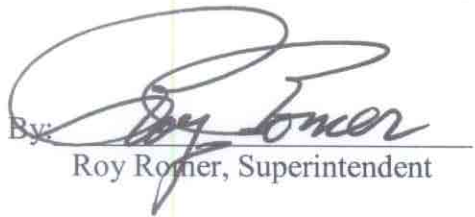
The Honorable Board of Supervisors
November 22, 2004
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Los Angeles County Counsel
Attention: Sheilah Curtis, Esq.
500 W. Temple Street, Room 648
Los Angeles, CA 90012

Tamalpais Advisors Inc.
Attention: Jean Buckley
3030 Bridgeway, Suite 340
Sausalito, CA 94965

Sincerely,

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: 
Roy Romer, Superintendent

Enclosure

RESOLUTION OF THE LOS ANGELES COUNTY BOARD OF SUPERVISORS
AUTHORIZING THE LEVY OF TAXES AND DIRECTING THE IMPOSITION
OF AD VALOREM PROPERTY TAXES TO SECURE LOS ANGELES
UNIFIED SCHOOL DISTRICT (COUNTY OF LOS ANGELES, CALIFORNIA)
2004 GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, on April 8, 1997 an election (the "1997 Election") was duly called and regularly held in the Los Angeles Unified School District (the "District"), County of Los Angeles (the "County"), California, and thereafter canvassed pursuant to law; and

WHEREAS, at the 1997 Election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of Two Billion Four Hundred Million Dollars (\$2,400,000,000), payable from the levy of an ad valorem tax against the taxable property in the District; and

WHEREAS, Two Billion Four Hundred Million Dollars (\$2,400,000,000) aggregate principal amount of the bonds, designated as "Los Angeles Unified School District General Obligation Bonds, Election of 1997, Series A," "Los Angeles Unified School District General Obligation Bonds, Election of 1997, Series B (1998)," "Los Angeles Unified School District General Obligation Bonds, Election of 1997, Series C (1999)," "Los Angeles Unified School District General Obligation Bonds, Election of 1997, Series D (2000)," "Los Angeles Unified School District General Obligation Bonds, Election of 1997, Series E (2002)," and "Los Angeles Unified School District General Obligation Bonds, Election of 1997, Series F (2003)," respectively, have heretofore been issued and sold (collectively, the "Prior BB Bonds"); and

WHEREAS, on November 5, 2002, an election (the "2002 Election") was duly called and regularly held in the District and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite approval of fifty-five percent (55%) of the qualified electors of the District voting in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of Three Billion Three Hundred Fifty Million Dollars (\$3,350,000,000), payable from the levy of an ad valorem tax against the taxable property in the District; and

WHEREAS, Two Billion One Hundred Million Dollars (\$2,100,000,000) aggregate principal amount of the bonds, designated as "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series A (2003)" have heretofore been issued and sold (the "Prior K Bonds"); and

WHEREAS, pursuant to Section 53550 of the Government Code (the "Act") the District is authorized to issue refunding bonds (the "Refunding Bonds") to refund all or a portion of the unrefunded Prior BB Bonds and the Prior K Bonds; and

WHEREAS, pursuant to the Act, the District on April 12, 2002, issued certain Refunding Bonds designated the "Los Angeles Unified School District (County of Los Angeles, California)

2002 General Obligation Refunding Bonds” (the “Refunding BB Bonds”) refunding certain of the Prior BB Bonds; and

WHEREAS, the Auditor-Controller of the County has previously been directed to levy an ad valorem tax to secure the Prior BB Bonds, the Prior K Bonds and the Refunding BB Bonds; and

WHEREAS, pursuant to the Act, the District proposes to issue or has issued certain Refunding Bonds designated the “Los Angeles Unified School District (County of Los Angeles, California) 2004 General Obligation Refunding Bonds” (the “2004 Refunding Bonds”) refunding certain others of the Prior BB Bonds and the Prior K Bonds; and

WHEREAS, this Board of Supervisors has been formally requested by the District to levy and bill on all the taxable property in the District in addition to all other taxes, a continuing direct ad valorem tax annually during the period the 2004 Refunding Bonds are outstanding in an amount sufficient to pay the principal of and interest on the 2004 Refunding Bonds when due;

WHEREAS, this Board of Supervisors desires to levy and direct the Auditor-Controller, on behalf of the County, to bill an ad valorem property tax to secure the 2004 Refunding Bonds pursuant to the provisions of the Act; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS FOLLOWS:

Section 1. Recitals: All the above recitals are true and correct.

Section 2. Levy of Taxes. That this Board levy taxes in an amount sufficient to pay when due the principal of and interest on the 2004 Refunding Bonds and on any unrefunded Prior BB Bonds, unrefunded Prior K Bonds and the Refunding BB Bonds, .

Section 3. Preparation of Tax Roll. That the Auditor-Controller of the County of Los Angeles is hereby directed to place on its 2005-2006 tax roll, and all subsequent tax rolls during which the 2004 Refunding Bonds, the Refunding BB Bonds, the Prior BB Bonds and the Prior K Bonds are outstanding, taxes sufficient to pay the principal of and interest on the 2004 Refunding Bonds, the Refunding BB Bonds, the unrefunded Prior BB Bonds and the unrefunded Prior K Bonds when due according to the debt service schedule for the 2004 Refunding Bonds, the Refunding BB Bonds, the unrefunded Prior BB Bonds and the unrefunded Prior K Bonds which will be provided to the Auditor-Controller by the District following the sale of the 2004 Refunding Bonds.

Section 4. Appointment of Treasurer. The Board does hereby appoint the Treasurer of the County of Los Angeles to access the funds from the Debt Service Fund held for the District and transfer said funds to the Paying Agent for the 2004 Refunding Bonds for the purpose of paying debt service on the 2004 Refunding Bonds.

Section 5. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was on the ____ day of _____, 2005, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive
Officer-Clerk of the Board of Supervisors of
the County of Los Angeles.

By _____

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By: Sheilah Curtis
Deputy